

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
DURHAM DIVISION

IN RE:)	
)	
Rhenada Davis Morris)	Case No. 10-51808
dba Integrity Home Care Solutions,)	
)	
Debtor.)	

MEMORANDUM OPINION
AND ORDER

This matter came before the Court on the motion filed by Rhenada Davis Morris (the “Debtor”) seeking sanctions for violation of the automatic stay and an award of attorney fees in connection with this matter. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O). After considering the evidence on record and the arguments of counsel, this Court finds that the North Carolina Department of Health and Human Services Division of Medical Assistance (the “DMA”) did not violate the automatic stay. Conversely, the governmental regulatory exception of 11 U.S.C. §362(b)(4) permitted the DMA to enroll the Debtor into the Prepayment Claims Review process due to the Debtor’s failure to comply with agency requirements.¹ Accordingly, the Debtor’s motion for sanctions and attorney fees is DENIED.

SO ORDERED.

¹In *In re Greenwald*, 34 B.R. 954 (Bankr. S.D.N.Y. 1983), the court held that the governmental regulatory exception of 11 U.S.C. § 362(b)(4) did not entitle the New York State Department of Health to complete administrative proceedings concerning the Chapter 11 debtor’s medicaid reimbursement entitlements. However, *Greenwald* is distinguishable because, in that case, there was no public health and safety issues at stake as the debtor’s nursing home had been sold and there were no more patients to protect. *Id.* at 957. The present case, at the time of the hearing, was a case under Chapter 13 of the Bankruptcy Code with a debtor in possession. As such, the governmental regulatory exception is applicable in the present case because the Debtor did have patients whom the DMA sought to protect.

SERVICE LIST

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Debtor

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Richard Votta
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Kathryn L. Bringle
C-13 Trustee

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